

ECONOMIC DEVELOPMENT

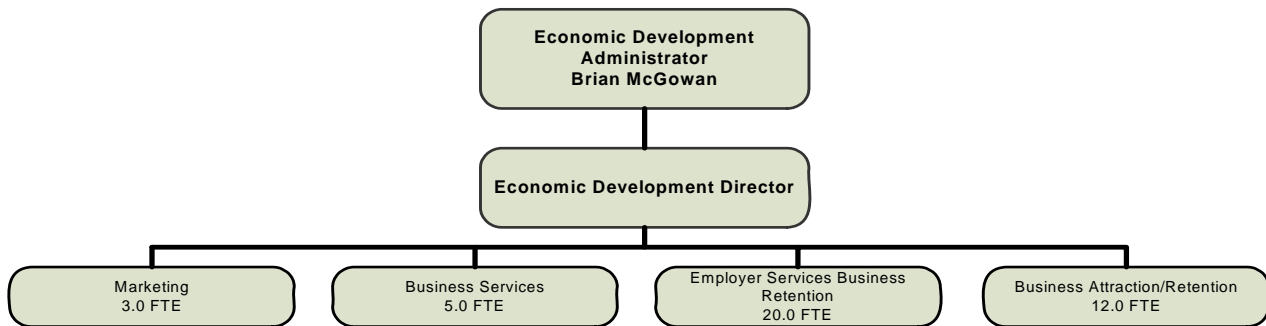
MISSION STATEMENT

The mission of the Economic Development Department is to maximize the standards of living of the county's residents, provide economic opportunities to the county's businesses, foster a competitive environment, and position the county as a highly competitive region for business opportunity.

STRATEGIC GOALS

1. Retain businesses currently located in the county.
2. Attract new business and investment in the county.

ORGANIZATIONAL CHART

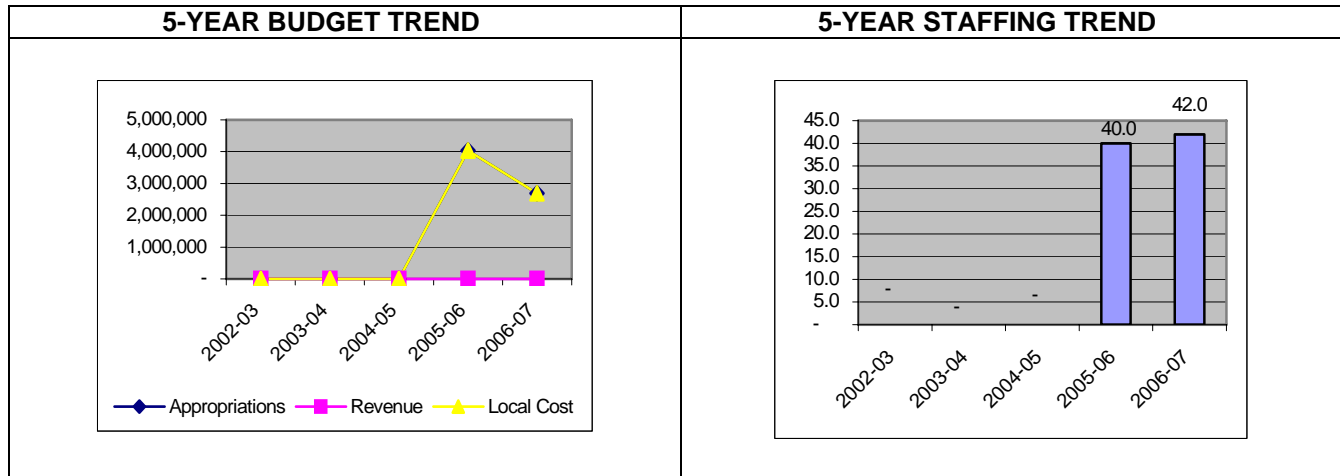


Economic Development

DESCRIPTION OF MAJOR SERVICES

The department's major goals are to develop and implement a countywide economic development strategy that will maximize the standard of living for the county's residents, provide economic opportunities to the county's businesses, foster a competitive environment, and position the county as a highly competitive region for business opportunities. The department will focus on demand-driven programs in economic development, which includes business attraction, retention, and expansion; marketing; small business and job development; and city-county collaboration.

BUDGET HISTORY



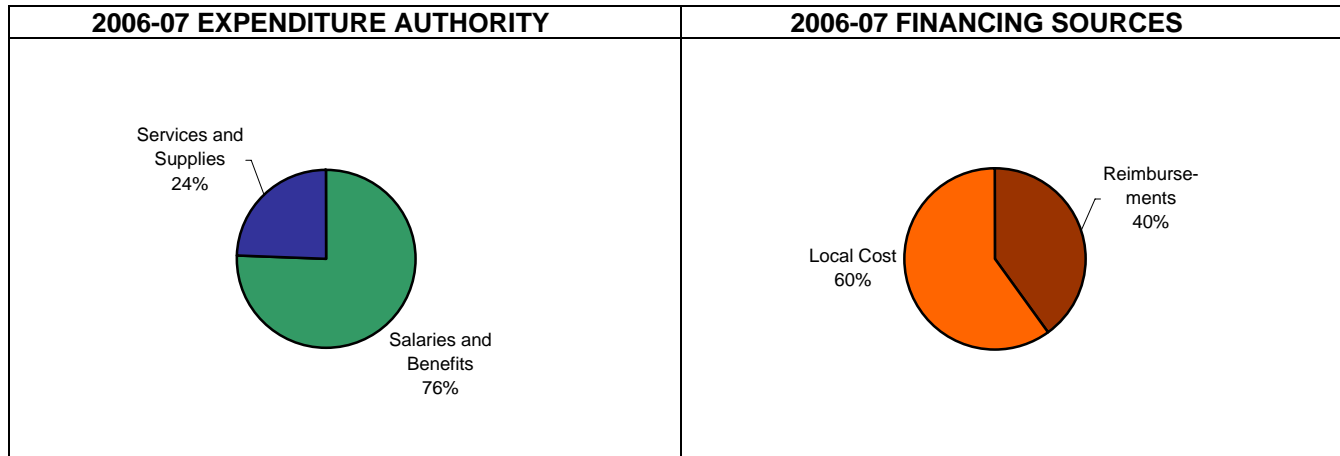
PERFORMANCE HISTORY

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	-	-	-	4,052,760	2,896,784
Departmental Revenue	-	-	-	-	-
Local Cost	-	-	-	4,052,760	2,896,784
Budgeted Staffing				39.0	

The Economic Development Agency was formed as a result of the May 3, 2005 (Item #90) Board action approving the organizational structure. At that time, Economic Development had budgeted staff of 40.0 with appropriations of \$4,039,579. On February 14, 2006 (Item #76) a mid-year organizational cleanup adjusted the budgeted staff to 39.0. When Economic Development was formed, the Board appropriated \$1.6 million in one-time funding to jump start the new economic development programs. Due to delays in hiring the Economic Development Administrator, approximately \$1.2 million in said one-time funding was not expended. Additionally, during 2005-06 staffing was re-evaluated and 4 information systems positions have been transferred to the 2006-07 Economic Development budget.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: General

BUDGET UNIT: AAA EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	-	-	-	1,952,705	3,207,946	3,258,133	50,187
Services and Supplies	-	-	-	2,192,327	3,775,690	1,022,842	(2,752,848)
Central Computer	-	-	-	13,000	2,161	24,961	22,800
Equipment	-	-	-	17,000	-	-	-
Transfers	-	-	-	73,752	23,121	177,581	154,460
Total Exp Authority	-	-	-	4,248,784	7,008,918	4,483,517	(2,525,401)
Reimbursements	-	-	-	(1,352,000)	(2,969,339)	(1,794,911)	1,174,428
Total Appropriation	-	-	-	2,896,784	4,039,579	2,688,606	(1,350,973)
Local Cost	-	-	-	2,896,784	4,039,579	2,688,606	(1,350,973)
Budgeted Staffing					40.0	42.0	2.0

In 2006-07, the department will incur increased costs, such as negotiated labor agreements, retirement, risk management, central computer, and inflationary services and supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to Board approved mid-year adjustments and department recommendations.

The most significant changes in the proposed budget is the decrease in amounts for services and supplies and reimbursements. Reimbursements saw a significant decrease (from \$2,969,339 to \$1,794,911) due to reimbursements for administrative costs being over estimated in 2005-06. This also resulted in a significant decrease in anticipated services and supplies expenditures for 2006-07. Services and supplies also decreased due to the elimination of one-time funding of \$1,645,000 received in 2005-06.



PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Respond to business requests for assistance within 24 hours		100%
Streamline and shorten cycles for financial technical assistance and procurement assistance reducing time for final approval		50% reduction
Develop relationships and networks with businesses to identify their hiring needs and work with the Workforce Development Department and the Transitional Assistance Department to place their clients into those positions within 30 days of posting the job order		for 50% of job orders
Increase inquiries by business about locating in the County		50% increase
Increase exports from County-based businesses and foreign investment in the County		50% increase

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
1	<p>Advertising/International Trade/Business Services/CRMS</p> <p>Request to rollover one time funds received by Economic Development Agency (EDA) in 2005-06 to jump start the expanded economic development program in the County. However, due to the short time the newly reorganized Agency had to operate in 2005-06, along with the lengthy recruitment for the Agency Administrator, projects that were funded in the 2005-06 budget were delayed. This Policy Item will allow the Agency at the direction of new Administrator to move forward with an expanded economic development plan for the Agency. The following items are included in this Policy Item:</p> <ul style="list-style-type: none"> *Increase Advertising by \$400,000 *Increase Prof Services \$268,500 *Increase Special Department Expense (EDA Website Design/Business Resource Center {BRC}/Customer Resource Management Software {CRMS}) \$450,000 <p>The County needs to provide economic opportunities to the County's businesses, foster a competitive environment, and position the County as a highly competitive region for business opportunities. This will be accomplished by an increase in its name recognition among high-power site selectors for high technology, manufacturing, and logistic organizations. This can be only accomplished through an increase in advertising, an updated website that assists businesses to locate crucial County information, and staff that has the capabilities to track and act on leads generated via advertising, trade shows, and website inquiries. An increase in professional services will assist the EDA in developing economic reports and preparing Federal/State program applications.</p> <p>Once the expanded economic development program is up and running the agency will determine what the ongoing costs will be. These ongoing costs will be brought to the board for consideration in the future with an outline of the costs and benefits.</p>	-	1,118,500	-	1,118,500	
<p><i>Proposed Performance Measure: Lead follow-up within 30 days after trade show.</i></p> <p><i>Utilization of CRMS by EDA staff.</i></p>						50%
						100%



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
2	<p>GIS Technician II</p> <p>This position will be utilized by both EDA and LAFCO on a 50% flat cost basis. Effective economic development strategies depend on answering many questions that are basically geographic in nature - for example:</p> <ul style="list-style-type: none"> * what is the spatial pattern of businesses and households within a community? * where are the best sites for a proposed industrial park? * which retail sectors are under-represented within a community? * where are the business clusters? * where do most of an area's workforce reside? <p>While EDA can answer these types of questions, there is no dedicated staff person to assist in the development of necessary reports and maps to be used for business attraction and retention, workforce and small business development, and marketing. The GIS Tech will create and update a variety of GIS databases in support of business attraction and retention, workforce and small business development, identification of business clusters, and marketing. Additionally, the position will research and compile source materials from various resources including databases, recorded maps, records of survey, aerial photos and topographic maps for reports, grant preparation, public requests, business attraction presentation, and trade shows.</p> <p>The position will also support LAFCO in its missions to encourage orderly growth, to promote logical and orderly service boundaries for cities and special districts, to discourage premature conversion of prime agricultural lands to urban uses, and to promote efficient and effective service delivery for cities and special districts through research, mapping development, database compilation, and report preparation. At the time the Agency Business Plan was developed, it was determined that this position could not be fully funded within the current funding levels. With LAFCO's funding, the duties of this position become affordable for both agencies. Additionally, this position supports the Agency's Business Plan in all areas of marketing, economic development, small business development, and job development.</p>	1.0	65,184	32,592	32,592	
<p><i>Proposed Performance Measure: Reduce the use of GIMS mapping</i></p>						50%
3	<p>Accountant II</p> <p>The Economic Development Agency was organized in 2005/06 and currently has no accounting staff. This request is to add an Accountant II to act as a financial consultant to management. This position will perform complex professional accounting duties which require the preparation and interpretation of financial statements and reports; establish new accounting procedures and controls for the Agency's Departments; and analyze and advise management on a variety of fiscal matters. Duties will also include: preparing/verifying a variety of complex accounting, statistical and narrative statements and reports requiring extensive analysis and interpretation of data; gathering, analyzing and evaluating diverse accounting data; developing trends, forecasts, and projections; based on analyses, making recommendations on the fiscal operation of a department.</p> <p>This an ongoing funding request.</p>	1.0	83,350	-	83,350	
<p><i>Proposed Performance Measure: Monitor EDA financials on a daily basis.</i></p>						80%



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2006-07 Performance Measurement
4	<p>Funds for Enterprise Zone EIRs</p> <p>The State Department of Housing and Community Development (HCD) released a call for applications for new Enterprise Zone designations in March 2006. Economic Development is actively working with the 1st District and the 5th District to prepare applications for three separate County areas applying for Enterprise Zone status, one of which is currently an Enterprise Zone that is expiring in October 2006. Once an application is approved by HCD, an EIR will be required. Applications are expected to be approved by HCD in October 2006. The requested funds in this policy item will only be used for EIR(s) if Enterprise Zone designation is granted within the County. If an Enterprise Zone designation is obtained, this will further support the Agency's Business Plan goals of business retention, business attraction and investment in the County as well as small business development, job development, economic development, and City-County collaboration. There are many benefits of an Enterprise Zone designation to the County, such as hiring credits and incentives to businesses.</p> <p>This is a one time funding request and if an Enterprise Zone is not established within the County of San Bernardino these funds will be returned to the General Fund.</p>	-	500,000	-	500,000	
Proposed Performance Measure: Success in obtaining one Enterprise Zone designation						100%
5	<p>Office Assistant III</p> <p>This position would be responsible for inputting and updating job orders on the JESD.com website, performing research, and making decisions regarding the JESD.com website. With over 1,400 job orders received monthly, one Office Assistant III is required for this workload. Additionally this position will act as liaison between employers and Business Resource Specialists, as well as the community. Without this position, job orders will be delayed in appearing on the JESD.com website and therefore will result in delays in WDD and TAD clients obtaining work. This item supports the Agency's Business Plan goal of business retention through job development and small business development. This position will be partially funded through reimbursements as determined through the on-going time study with the Departments of the Agency: ED, WDD, TAD and RDA.</p> <p>This is an ongoing funding request.</p>	1.0	51,266	-	51,266	
Proposed Performance Measure: Input monthly job orders						90%
6	<p>High Desert Business Resource Center</p> <p>The Economic Development Agency is working with the 1st District to resolve issues with significant overcrowding of the High Desert Business Resource Center. Its current location is significantly inadequate to serve the business communities in the High Desert, as well as, others who travel to utilize its comprehensive resources. An adequate location for the High Desert BRC is needed to serve the businesses in the High Desert, as well as other business that may utilize the services at this center. The High Desert BRC will serve the businesses in the High Desert and Mountain communities, as well as other locations, that need business assistance for expansion, relocation, business development, information regarding County services, etc. As the growth and development grows within the High Desert, the need for adequate space becomes urgent to address the needs of businesses.</p> <p>One-time funding is requested in the amount of \$150,000 for tenant improvements, the establishment of a resource library, furniture, and public and staff computers.</p> <p>On-going funding is requested in the amount of \$150,000 for rent and utilities, library updates, services and supplies, and information systems management.</p>	-	300,000	-	300,000	
Proposed Performance Measure: Operation of the new High Desert Business Resource Center						100%
Total		3.0	2,118,300	32,592	2,085,708	



FEE REQUEST SUMMARY				
Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Enterprise Zone Vouchering Program - Processing Fee	-	2,000	2,000	-
<p>The County offers its support as a vouchering agent to several Local Agency Military Base Reuse Areas (LAMBRA) and Enterprise Zones (EZ). The processing of one (1) voucher is estimated to take approximately 30 minutes. Therefore, the EDA is requesting a new administrative fee of \$10.00 from each LAMBRA/EZ business for each voucher it processes. EDA currently vouchers for the Agua Mansa Enterprise Zone of which the County is a participating governmental agency and therefore does not charge a fee to its Zone businesses. However, since the County is not currently a participating governmental agency in any other LAMBRA/EZ, it is felt that a nominal charge will assist in off-setting the cost of staff time spent processing vouchers. Prior to commencement of collecting this voucher fee, agreement(s) will be brought before the Board of Supervisors identifying the County's and the LAMBRA's/EZ's roles in the vouchering process and requesting approval for County staff to assist the LAMBRA's/EZ's voucher qualified employees.</p> <p>If the fee is approved, the estimated annual revenue is \$2,000. There is no guarantee that the County will do any vouchering. Each LAMBRA/EZ may decide to process all vouchers itself and then the County would receive no revenue.</p>				
Total	-	2,000	2,000	-

